

**STATE OF CALIFORNIA  
EMPLOYMENT TRAINING PANEL MEETING**

California Environmental Protection Agency

1001 "I" Street

Coastal Hearing Room, 2<sup>nd</sup> Floor

Sacramento, CA 95814

March 24, 2006

**PANEL MEMBERS**

Barry Broad  
Acting Chair

Tyrone Freeman  
Member

Bob Giroux  
Member

Scott Gordon  
Member

Edward Rendon  
Member

Janice Roberts  
Acting Vice-Chair

**Executive Staff**

Ada Carrillo  
Acting Executive Director

Maureen Reilly  
Acting General Counsel

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Sacramento, CA 95814  
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**I. PUBLIC PANEL MEETING CALL TO ORDER**

Barry Broad, Acting Chair, called the public Panel meeting to order at 9:30 a.m.

**II. ROLL CALL**

Members Present

Barry Broad, Acting Chair  
Scott Gordon  
Bob Giroux (arrived at 10:40 a.m.)  
Edward Rendon  
Janice Roberts, Acting Vice Chair

Members Absent

Tyrone Freeman

Executive Staff Present

Ada Carrillo, Acting Executive Director  
Maureen Reilly, Acting General Counsel

**III. REPORT OF THE CHAIRPERSON/PANEL MEMBERS**

Mr. Broad introduced Edward Rendon, the newly appointed Panel Member, appointed by the President Pro-Tem of the Senate to replace Robert Lennox. Mr. Broad said he has known Mr. Rendon for quite some time and that he will be a great asset to the Panel. Mr. Rendon said he was very happy to be part of the Panel and looked forward to working with everyone at ETP as well as the Panel Members. He said he had prior experience with ETP as an applicant for training in Southern California for truck driving and was well aware of industry needs.

#### IV. APPROVAL OF AGENDA

ACTION: Ms. Roberts moved and Mr. Rendon seconded the Panel approve the Agenda.

Motion carried, 4 – 0.

#### V. APPROVAL OF MINUTES

ACTION: Ms. Roberts moved and Mr. Rendon seconded the Panel approve the Panel Minutes of January 27, 2006.

Motion carried, 4 – 0.

#### VI. REPORT OF THE ACTING EXECUTIVE DIRECTOR

Ada Carrillo, Acting Executive Director, reported on the Budget/Legislative Update.

Ms. Carrillo said that if all projects were approved that day, there would be approximately \$4.3 million available to encumber for the remainder of the fiscal year. Due to incremental encumbrance, this amount will result in approximately \$12.5 million in contracts. Ms. Carrillo stated that in June, ETP would begin using funds from the following fiscal year contingent upon the budget passing. She referred the Panel to the Budget/Legislative Update Memo and said that the Governor's 2006-07 Budget proposes \$40.3 million for the ETP program. She said this amount was a small increase from the current year at an approximately \$2.5 million net increase and said the disencumbrance amount of about \$14 million would supplement the budget appropriation.

She stated that the 2006-07 Budget Hearings had begun in both houses. ETP is on the Consent Calendar of the Assembly Budget Subcommittee for the hearing scheduled on April 4, 2006, and the Senate Subcommittee hearing is set for April 27.

Ms. Carrillo said there were five bills introduced that have a direct impact on ETP.

**AB 2498 (Arambula)** would require the Panel, by January 1, 2008, to develop an ETP Express Program that offers a standardized basic curriculum for employees and a standardized contract for employers, to offer the standardized curriculums throughout California on or before October 31, 2007, and to guarantee that employees of the employers that choose to use these standard curriculums are trained within 21 days. ETP recommends opposition to this bill.

**AB 2617 (Saldana)** identifies the ETF as a potential funding source for a solar training program within the Employment Development Department (EDD). The law was enacted in 2002, but did not identify a specific funding source. ETP recommends opposition to this bill.

**SB 1537 (Alarcon)** would require the California Business Investment Services Unit (CalBIS) within the Labor and Workforce Development Agency to perform specified functions and activities related to California businesses. ETP recommends a watch position to this bill.

**SB 1690 (Romero)** makes technical non-substantive changes to ETP's substantial contributions requirements. According to the author's office, this is a spot bill and will likely be a redux of last year's seasonal worker training bill (SB 314) which was vetoed by the Governor. This a spot bill similar to last year's SBN 314, which would have provided training for seasonal workers. The Governor vetoed SB 314. ETP recommends a watch position on this spot bill.

**AB 2344 (Chu)** would declare the intent of the Legislature to enact legislation establishing a temporary amnesty program allowing employers to pay any delinquent Unemployment Insurance (UI) Tax and Employment Training Tax (ETT), without penalties and interest, during a 3-month period from January 1, 2007, until March 31, 2007. The outcome of such a program could be to provide ETP with added revenues. ETP recommends a watch position on this bill.

Mr. Broad stated his concern regarding AB 2498 and suggested that the Panel make a motion regarding the position of opposition on this bill and direct staff to refrain from writing a letter of opposition at this time. Mr. Broad added that ETP staff should confer with the Chair and Vice Chair when to send the letter of opposition.

ACTION: Mr. Rendon moved and Ms. Roberts seconded the Panel's opposition to the AB 2498 bill and directed ETP staff to work directly with the Chair and Vice Chair on submittal of letter of opposition.

Motion carried, 4 – 0.

#### Request Motion to Delegate in Event of Loss of Quorum

Ms. Carrillo asked for a motion to delegate to the Acting Executive Director the authority to approve projects for which a quorum does not exist in consultation with the Panel Chair or Vice Chair.

ACTION: Ms. Roberts moved and Mr. Rendon seconded the Panel delegate to the Acting Executive Director the authority to approve projects for which a quorum does not exist in consultation with the Panel Chair or Vice Chair.

Motion carried, 4 – 0.

#### Consent Calendar Projects

Ms. Carrillo asked for a motion to approve the single employer contracts placed on Consent that are less than \$200,000 and do not appear to have any controversial issues.

ACTION: Mr. Gordon moved and Mr. Rendon seconded the Panel approve the following proposals:

Appareltex USA, Inc. ....	\$2,400
Arlon Incorporated .....	\$42,900
Baumbach and Piazza, Inc. ....	\$13,200
California Distribution.....	\$49,680
Customized Services Administrators, Inc. dba CSA Travel Protection .....	\$118,560
E3 Financial .....	\$12,320
Ekistics Design Studio .....	\$4,800
Enhanced Vision Systems, Inc. ....	\$48,000
Harbor Packaging, Inc. ....	\$180,544
Memoryten, Inc. ....	\$118,800
Naprotek, Inc. ....	\$48,000
Paperpak Products, Inc. ....	\$31,980
Pelican Products, Inc. ....	\$152,425
Perkinelmer Optoelectronics.....	\$80,600
R.W. Lyall & Company, Inc. ....	\$179,140
Ray Products, Inc. ....	\$50,000
Standard Homeopathic Company .....	\$140,000
Trench Plate Rental Co. dba Westar Manufacturing Corp./Quik-Shor .....	\$32,110
Universal Propulsion Company, Inc. ....	\$98,956

Motion carried, 4 – 0.

Ms. Carrillo referred everyone to the Meeting Sites tab in the Panel Packet. She said that the next three Panel meetings would be held in Sacramento and pointed out that the May 25<sup>th</sup> meeting would be held on a Thursday, instead of Friday.

## **VII. REPORT OF ACTING GENERAL COUNSEL**

Ms. Reilly introduced Spencer Kenner, the newly appointed Staff Counsel, and said he was previously employed with the State Lottery Commission.

### **Single Employer Contractors**

#### **MetLife Investors Group, Inc.**

Diana Torres, Manager of the San Diego Office, presented a One-Step Agreement for MetLife Investors Group, Inc. (MLI), in the amount of \$212,355. MLI offers an array of variable annuity products to wholesale brokers nationwide who then sell the products to consumers.

Ms. Torres pointed out the typographical error on Page 3 of the Training Plan Table. She noted the error in the amount of CBT Hours listed which currently stated 4-15 hours and said the corrected amount of hours is 4-35 hours.

Ms. Torres introduced Daniel Schimmelpfenig, Director of Field Development.

There were no questions from Panel Members.

**ACTION:** Mr. Gordon moved and Mr. Rendon seconded the Panel approve the One-Step Agreement for MLI in the amount of \$212,355.

Motion carried, 4 – 0.

### **Surefire, LLC**

Ms. Torres presented a One-Step Agreement for Surefire, LLC (Surefire), in the amount of \$430,768. Surefire is a major provider of laser sights for guns and rifles and high tech lighting equipment for the U.S. Military and law enforcement agencies. The company also provides advanced communication equipment and manufactures almost 30 different illumination tools.

Ms. Torres introduced Sheryl Greenberg, Director of Human Resources.

Mr. Broad asked Ms. Torres about criteria used to determine when it was applicable to use the Advanced Technology reimbursement for training employees. Ms. Torres said they acquire the proposed curriculum from the Contractor and it is usually for high-tech skills. She said it was for training costs in excess of \$20.00 per hour. Ms. Torres stated it would cost from \$100 to \$300 per trainee hour. She gave Mr. Broad examples of the requested Advanced Technology: Computer-Aided Design/Computer-Aided Manufacturing, Computer Numeric Control Machine, Java Programming, Cold Fusion database, Photoshop and Mastering Color Workshop graphics software.

Ms. Torres asked Ms. Greenburg to explain what types of training the sales and marketing personnel would receive. Ms. Greenburg said it was for marketing and they did not contract out any of the graphic or publications training. She stated Advanced Technology was for engineers or IT programmers.

**ACTION:** Ms. Roberts moved and Mr. Rendon seconded the Panel approve the One-Step Agreement for Surefire in the amount of \$430,768.

Motion carried, 4 – 0.

### **Advanced Bionics Corporation**

Dolores Kendrick, Manager of the North Hollywood Office, presented a One-Step Agreement for Advanced Bionics Corporation (Advanced Bionics), in the amount of

\$1,014,000. Advanced Bionics develops, designs, manufactures and markets implantable, neurostimulation devices (high technology bionics) to treat deafness and chronic pain. Its three primary products are the cochlear implant; the spinal cord stimulation system; and the new "Bion" (currently in FDA trials) for relieving migraine headaches.

Ms. Kendrick introduced Tom Santogrossi, Vice President, Operations Controller and Donald Fields, Senior Training Manager.

Mr. Broad asked what contributed to the increase in business. Mr. Santogrossi said it was due to two products lines. The cochlear implant, which continues to grow at about 20 percent per year and the spinal cord stimulation system for treatment of chronic pain, which is a market they are entering into against an in and out-of-state competitor that has been in a monopolistic position for the last 10-20 years.

**ACTION:** Ms. Roberts moved and Mr. Gordon seconded the Panel approve the One-Step Agreement for Advanced Bionics in the amount of \$1,014,000.

Motion carried, 4 – 0.

### **AIG Sunamerica, Inc.**

Ms. Kendrick presented a One-Step Agreement for AIG Sunamerica, Inc. (AIG), in the amount of \$475,540. AIG's corporate headquarters are located in Century City, Woodland Hills and San Diego, California. The facilities support the following internal groups: Annuities, Affordable Housing and Institutional Investment Products and Mutual Funds and Asset Management. The Woodland Hills facility has a Customer Service Call Center which manages inbound customer service calls.

Ms. Kendrick introduced Ronald Reeves, Manager of Training & Leadership Development and Jim Smalley, Director of Training & Leadership Development.

Ms. Roberts asked about AIG's inability to fulfill the last ETP contract and the training that was received. Mr. Reeves stated that with the Navisys project, the training needs changed and stated employees did not receive annuitization and death benefits training. Ms. Roberts asked about the administration of the contract. Mr. Reeves said the same administrator was used for this contract and that a learning management system had since been added for tracking purposes.

**ACTION:** Mr. Gordon moved and Mr. Rendon seconded the Panel approve the One-Step Agreement for AIG in the amount of \$475,540.

Motion carried, 4 – 0.

### **Denso Sales California, Inc.**

Ms. Kendrick presented a One-Step Agreement for Denso Sales California, Inc. (Denso), in the amount of \$230,620. Denso is a company that sells and distributes automobile parts.

Ms. Kendrick introduced Mark Gebhardt, Manager, Business/Sales Planning Department and Elizabeth Bayee.

There were no questions from Panel Members.

**ACTION:** Ms. Roberts moved and Mr. Gordon seconded the Panel approve the One-Step Agreement for Denso in the amount of \$230,620.

Motion carried, 4 – 0.

### **International Energy Services Company, dba IESCO, Inc.**

Ms. Kendrick presented a One-Step Agreement for International Energy Services Company, dba IESCO, Inc. (IESCO), in the amount of \$319,176. IESCO is an engineering services company that performs nondestructive examinations, condition assessments, and high technology inspections for a variety of industries. IESCO uses non-intrusive flaw detection techniques such as ultrasound and X-rays to inspect critical plant equipment for oil companies, nuclear power plants, and fertilizer companies.

Ms. Kendrick introduced Natalie Butler, Controller.

Ms. Roberts asked about the Technical Staff Occupation and the Wage Range. She asked how it was determined which range of wage they received. Ms. Butler said it depended on the scope of responsibility and their skill level. Mr. Gordon asked how quickly trainees advanced up through the wage range. Ms. Butler said many trainees earned \$38.00 per hour after a three-year period. Mr. Broad asked about "Rope Access" training listed under Commercial Skills. Ms. Butler said Rope Access training included learning how to repel down buildings.

**ACTION:** Ms. Roberts moved and Mr. Rendon seconded the Panel approve the One-Step Agreement for IESCO in the amount of \$319,176.

Motion carried, 4 – 0.

### **TLD Distribution Company**

Ms. Kendrick presented a One-Step Agreement for TLD Distribution Company (TLD), in the amount of \$240,000. TLD provides integrated wholesale trade and distribution services to locations both inside and outside of California.

Ms. Kendrick introduced Muskarn Ferguson, Special Projects Manager.

Ms. Roberts asked about the high average cost-per-trainee amount of \$4,000. Ms. Carrillo stated that TLD employed less than 100 employees and is approved to receive a higher rate per hour than larger sized businesses. Mr. Gordon asked where TLD received its accreditation. Ms. Ferguson said they received accreditation from JD Edwards. Ms. Roberts asked about the 70 percent amount earned in the prior ETP contract. Ms. Ferguson said at the time, they had requested more training than was needed. Ms. Roberts asked if the proposed contract requested a more conservative number. Ms. Ferguson agreed that a more conservative number was set for this contract.

**ACTION:** Mr. Gordon moved and Ms. Roberts seconded the Panel approve the One-Step Agreement for TLD in the amount of \$240,000.

Motion carried, 4 – 0.

### **Electronic Arts, Inc.**

Creighton Chan, Manager of the Bay Area Office, presented a One-Step Agreement for Electronic Arts, Inc. (EA), in the amount of \$692,900. EA develops, markets, publishes, and distributes interactive video games that are playable by consumers.

Mr. Chan introduced Andy Billings, Vice President.

Ms. Roberts commented on the excellent contract. Mr. Gordon asked if frontline instructors received formal educations. Mr. Billings said that many instructors were advanced college professors. Mr. Gordon asked about the software design occupation. Mr. Billings said this included Software Engineers and Software Artists.

**ACTION:** Mr. Gordon moved and Ms. Roberts seconded the Panel approve the One-Step Agreement for EA in the amount of \$692,900.

Motion carried, 4 – 0.

### **EMC Corporation**

Mr. Chan presented a One-Step Agreement for EMC Corporation (EMC) in the amount of \$531,050. EMC designs and manufactures hardware storage devices for mainframe computers. EMC also provides state-of-the-art systems that store, protect, move, manage, and access digital information. This includes hardware, software, and services that support the operations of these technologies.

Mr. Chan introduced Jonathan Thalberg, Performance Consultant.

Ms. Roberts asked if employees were salaried or hourly employees. Mr. Thalberg said employees received salaries. Mr. Broad commented that EMC offered generous wages, but that they had a relatively high turnover rate. Mr. Thalberg said the high turnover rate

was primarily due to acquisitions. Mr. Gordon asked about instructor training. Mr. Thalberg said instructors completed train-the-trainer programs and were trained in six sigma. Mr. Gordon asked if this training included safety training. Mr. Thalberg said it did not include safety training and that safety training was provided as part of new employee orientation.

**ACTION:** Ms. Roberts moved and Mr. Gordon seconded the Panel approve the One-Step Agreement for EMC in the amount of \$531,050.

Motion carried, 4 – 0.

### **Hilmar Cheese Company, Inc.**

Ms. Cohen, Manager of the Sacramento Office, presented a One-Step Agreement for Hilmar Cheese Company, Inc. (Hilmar Cheese), in the amount of \$750,672. Hilmar Cheese manufactures cheese and whey products that are sold to customers worldwide.

Staff observed that Hilmar Cheese had just entered a settlement agreement with the Central Valley Regional Water Quality Control Board (Regional Board). This agreement is designed to resolve all issues raised in an administrative complaint filed by the Regional Board in January 2005.

Hilmar Cheese has assured staff that any training funds provided by the Panel shall not in any way be a source of funding for its obligations under the settlement agreement. Hilmar Cheese also assured staff that none of the training included in the Curriculum had been mandated as part of the settlement.

Ms. Cohen introduced Cindy Noah, Director of Human Resources.

Ms. Roberts asked if issues under the draft settlement agreement had been resolved. Ms. Noah said they were fully resolved, and the agreement was adopted by the Regional Board on March 16, 2006. Mr. Broad said his affirmative vote would require review of the ETP funding commitment by the Regional Board, to ensure there were no conflicts. Ms. Reilly said ETP's legal staff would contact the Regional Board regarding the terms of settlement and party intent, in relation to the ETP-funded training program.

**ACTION:** Mr. Gordon moved and Mr. Rendon seconded the Panel approve the One-Step Agreement for Hilmar Cheese in the amount of \$750,672 with the stipulation that ETP's legal unit contact the Regional Board to ensure there were no conflicts between the terms of settlement and party intent, relative to the training funds provided by ETP.

Motion carried, 4 – 0.

### **Krazan & Associates, Inc.**

Ms. Cohen presented a One-Step Agreement for Krazan & Associates, Inc. (Krazan & Associates), in the amount of \$83,200. Krazan & Associates provides comprehensive services in engineering design, soils engineering, environmental engineering, construction materials testing and inspection, and construction quality control.

Ms. Cohen introduced Tom Krazan, Owner.

Ms. Roberts asked if temporary workers received health benefits. Mr. Krazan said part-time workers did not receive benefits, but most full-time employees received benefits. Ms. Roberts asked if the 39 percent turnover rate included temporary employees. Mr. Krazan said this rate included temporary employees. He said the turnover rate was attributed to inexperienced newly-hired technicians. Mr. Krazan said that for new employees there was a screening process to determine if the candidate was a good fit for the company.

Mr. Broad asked how many employees were seasonal, based on the total number of employees in California. Mr. Krazan said approximately 10 percent of the employees were seasonal. Mr. Broad asked if the remainder of employees were employed full-time. Mr. Krazan said that approximately 20 percent of their employees were not full-time employees. He said there was a high turnover rate due to the company hiring students who worked for them a couple of years but eventually moved into other careers. Mr. Broad asked if Krazan & Associates was hired by the builders. Mr. Krazan said they were hired by the owners, not the builders. Mr. Broad asked if the turnover rate hurdle of 28 percent could be reduced to 25 percent. Mr. Krazan agreed to a 25 percent turnover rate. Mr. Gordon said training for construction driving was critical and that there were not enough experienced in this area. Mr. Gordon asked about the stages that newly-hired employees are taken through, if the company offered a new-hire kit, and if safety was covered. Mr. Krazan said that Krazan & Associates provides company orientation, policies and procedures, and safety training.

**ACTION:** Mr. Gordon moved and Mr. Rendon seconded the Panel approve the One-Step Agreement for Krazan & Associates in the amount of \$83,200 with the revision that the company will earn the final 25 percent per-trainee only if it has reduced its overall turnover rate to 25 percent during the last 12 months of the Agreement.

Motion carried, 5 – 0.

(Mr. Giroux arrived at 10:40 a.m. and was present for the vote)

### **Mass Precision Sheetmetal, Inc.**

Ms. Cohen presented a One-Step Agreement for Mass Precision Sheetmetal, Inc. (Mass Precision), in the amount of \$287,300. Mass Precision manufactures enclosures, racking, shelving, and hardware components by cutting, bending, rolling, forming, stamping, and

welding sheet metals. The components are used in the areas of telecommunications, data storage, medical systems, networking and electronic equipments.

Ms. Cohen introduced Al Stucky, CEO/President and Matthew Stucky, Project Engineer.

Mr. Gordon asked how new employees decide upon classes to take outlined in the curriculum. Mr. Stucky said there was a structured calendar of classes and they have scheduled training every Thursday continuing throughout the contract and that the new employee would be entered into one of the groups. Mr. Gordon asked if training was conducted in-house with the frontline instructors. Mr. Stucky said they have both in-house trainers and outside trainers. Mr. Giroux asked how Mass Precision's training program compared to the Sheet Metal Union Apprenticeship program. Mr. Stucky said the difference was that trainees were exposed to real life, hands-on experiences. He added that an apprenticeship program was more structured; they had an individual mentor in an apprentice situation. This was more of a classroom structure to give trainees an overview of the business. Mr. Giroux asked if the goal of the program was to take the learned skills to achieve the next level in career building and asked what the next level would be. Mr. Stucky stated that with 120 hours of training there was no guarantee that a trainee would then be qualified to become a sheet metal mechanic. He said within a period of over 20 months, there is the opportunity to move up in the organization to new levels of technical skill sets from helpers, operators and sometimes programmers. Mr. Giroux commented on the low wage range for Santa Clara County and asked if the skills that they learn in Mr. Stucky's program would help them to achieve a higher living standard. Mr. Stucky agreed that it helped employees achieve a higher standard of living and stated if they had adequate skills, within 3-4 years they could earn \$60,000-\$65,000 per year.

**ACTION:** Mr. Giroux moved and Mr. Rendon seconded the Panel approve the One-Step Agreement for Mass Precision in the amount of \$287,300.

Motion carried, 5 – 0.

### **Special Employment Training Contractors**

#### **Booz Allen Hamilton**

Ms. Torres presented a One-Step Agreement for Booz Allen Hamilton (Booz Allen), in the amount of \$498,771. Booz Allen provides strategy and technology consulting services for large corporations, emerging growth companies, private/public institutions, and governmental agencies.

Ms. Torres introduced Caroline Wilkie Business Strategy Manager and Brooke Perez, Tax Manager for Deloitte Tax LLP.

Mr. Broad asked why Booz Allen needed ETP training. Ms. Wilkie said they had never engaged in a partnership before and it was new territory for the company. She said they sought help with the process to see what company benefits were, specifically for the State

of California. She said that in the past they focused primarily on where their headquarters was located. Ms. Wilkie said the training opportunity gave them the chance to target California.

**ACTION:** Mr. Gordon moved and Ms. Roberts seconded the Panel approve the One-Step Agreement for Booz Allen in the amount of \$498,771.

Motion carried, 5 – 0.

### **Multiple Employer Contractors**

#### **American Security Group, Inc.**

Ms. Kendrick presented a One-Step Agreement for American Security Group, Inc. (ASG), in the amount of \$199,960. ASG provides private security services, armed and unarmed security officers, patrol, alarm response, and executive protection services. In addition, ASG serves as a training agency certified by the Bureau for Private Postsecondary and Vocational Education to retrain and upgrade its clients' incumbent security guards, and to train and place new-hire trainees at ASG's customer facilities.

Ms. Kendrick introduced Susan Valdez, Vice President; Lizzette Matos, Training Coordinator; and Manny Vela, President.

Mr. Giroux asked where the training program was located. Ms. Valdez said the training program was located in the City of Covina. Mr. Giroux asked where ASG had security contracts. Ms. Valdez said they had training contracts in Sacramento and San Francisco. She said they had new contracts pending for Fresno, Modesto, Santa Clarita, Los Angeles, San Bernardino, Orange, and Riverside Counties. Mr. Giroux asked if the Sacramento and San Francisco trainees were ASG employees. Ms. Valdez said they were outside companies that come to ASG to receive training. Mr. Giroux asked if trainees received wages stated in the Training Plan Table during, or after completion of training. Ms. Valdez said they would receive the stated wage rate after completion of training.

Mr. Gordon asked how Post 9/11 and Homeland Security requirements had affected ASG's training. Ms. Valdez said training needs had increased significantly. She said they now taught trainees several new techniques and emergency preparedness as a result of 9/11. Mr. Gordon asked if there were any standards set for Security Officer/Guard training. Mr. Vela said they were moving toward this goal on a national level but that currently, there were no set standards.

Ms. Roberts asked about trainee selection. Mr. Vela said that upon entering the training program, prospective trainees had to successfully pass a background check and have a clean record.

Mr. Broad asked if the security guard law required any mandatory training and asked if firearms' training was government-mandated. Ms. Valdez said that firearms' training was

not mandated. Mr. Broad asked if multiple barrier trainees progressed to enhanced positions upon completion of training. Ms. Valdez said upon completion of training, they had more advanced skills. She said some employees hired possessed guard cards but lacked advanced skills training. Ms. Valdez stated that 90 percent of trainees earn over \$10.00 per hour.

Mr. Broad asked if ASG was training unemployed individuals with multiple barriers to earning a higher wage level. Ms. Valdez said this was correct. Mr. Broad asked if trainees were placed in union or non-union employers. Ms. Valdez stated trainees were placed in both union employers and non-union employers. Ms. Roberts asked about new-hire recruitment. Ms. Valdez said they worked with various work source centers, one stop centers, Veteran's Affairs, EDD and that they partnership with multiple employers. Mr. Broad asked about the prevalent hourly wage of \$11.00 and the new-hire trainees' starting wage of \$9.68. He asked if ASG could offer trainees the starting wage of \$10.00 per hour. Ms. Valdez agreed to raise the starting wage to \$10.00 per hour.

**ACTION:** Mr. Gordon moved and Mr. Rendon seconded the Panel approve the One-Step Agreement for ASG in the amount of \$199,960, with an Amendment to the Agreement to raise the minimum wage to \$10.00 per hour after the 90-day retention period.

### **California Manufacturing Technology Consulting**

Ms. Kendrick presented a One-Step Agreement for California Manufacturing Technology Consulting (CMTC), in the amount of \$2,055,870. CMTC is a private, non-profit corporation providing small and medium-sized manufacturers with integrated consulting and training services in lean enterprise, quality systems, information technology, organization development, and supply chain management.

Ms. Kendrick introduced John Van Buren, Vice President and Chief Financial Officer; Cheryl Slobodian, Director-Operations Support; and Rocio Leon-Stantis, Training Manager.

Ms. Roberts asked if the employer paid CMTC a dollar amount to supplement the training. Ms. Slobodian said they had an integrated contract with their clients because CMTC also delivered consulting. She stated that the portion of the training approved by ETP met all the qualifications delivered in the class/lab training. She said they have funding up to \$200 to pay for tools, materials, lab costs.

**ACTION:** Mr. Giroux moved and Mr. Gordon seconded the Panel approve the One-Step Agreement for CMTC in the amount of \$2,055,870.

Motion carried, 5 – 0.

## Century Housing Corporation

Ms. Kendrick presented an Amendment for Century Housing Corporation (Century Housing), in the amount of \$366,000. Century Housing is approved and certified by the Bureau for Private Postsecondary and Vocational Education (BPPVE) to provide training for workers in the construction industry. Century Housing provides pre-apprenticeship training for men and women in the construction industry and has placed trainees in Department of Apprenticeship Standards (DAS) approved apprenticeship programs with various participating construction unions.

Ms. Kendrick introduced Ann Marie Hickambottom, Senior Vice President, Community Services.

Mr. Giroux asked about trainee recruitment. Ms. Hickambottom said employees were recruited from EDD and target workers who currently received unemployment and/or who had exhausted unemployment benefits as well as either under-trained or low skilled workers. She said they primarily worked with the 18-30 year old age group. Mr. Giroux asked how participants in the program were selected to move into occupation classifications. Ms. Hickambottom said they worked with the individual in determining the occupation classification. She said weekly orientations are held covering expectations, and what the training program was designed to do-which was not to replace apprenticeship, but to give them basic skills to become a successful first-period apprentice. She said that during the eight-week program, they were exposed to the basic elements of construction crafts. Mr. Giroux asked if the unions were then taking the graduates and placing them in their apprenticeship program. Ms. Hickambottom answered in the affirmative. Mr. Giroux said he was very interested in seeing where graduates moved onto and requested Ms. Hickambottom to follow-up with placements of trainees.

Mr. Gordon asked if applicants were assessed upon entering the program. Ms. Hickambottom said they were assessed with a basic math and English proficiency test, and an interview process to ensure program expectations. Mr. Gordon asked if applicants' language skills were assessed. Ms. Hickambottom said there was a general assessment and added that all of the training was conducted in English. Mr. Gordon asked if there were any applicants entering the program above the first period level proved by check stubs, experience and training. Ms. Hickambottom said approximately 10 percent of program graduates were placed into apprenticeships beyond the first period. Mr. Gordon asked if there was flexibility with the curriculum to add occupations. Ms. Hickambottom said the contract was designed for flexibility. Mr. Gordon asked if Century Housing worked with a local education administrator or any other outside source. Ms. Hickambottom said no, they did not use any outside source and worked primarily with their instructors certified by the BPPVE and with the unions that occasionally guest lectured. Mr. Gordon asked if they offered training in Vocational Construction as a Second Language (VCSL). Ms. Hickambottom said VCSL was not offered. Mr. Gordon asked if they covered primarily the Los Angeles region. Ms. Hickambottom said they could enter into other regions but were affected by funding and capacity. She said they wished to provide training to other regions but did not have adequate funding.

Mr. Broad suggested that Century Housing work with ETP staff to further discuss other funding sources.

**ACTION:** Mr. Gordon moved and Mr. Giroux seconded the Panel approve the Amendment for Century Housing in the amount of \$366,000.

Motion carried, 5 – 0.

### **Goodwill Industries of Santa Clara County**

Mr. Chan presented a One-Step Agreement for Goodwill Industries of Santa Clara County (Goodwill), in the amount of \$236,804. Goodwill has been in existence since 1916 and is located in San Jose, California. In 1976, Goodwill created a separate division, the Institute of Career Development (ICD), to provide training and job placement services for the unemployed and under-employed in Santa Clara and San Benito Counties. ICD is a fully licensed, private, post-secondary school specializing in providing vocational services that meet the current needs of employers. As a result, this agency is able to provide employment opportunities for persons with disabilities and other special needs, such as the economically disadvantaged.

Mr. Chan introduced Trish Dorsey, Managing Director of Workforce Development.

Ms. Roberts asked about job classifications that previous graduates had entered into. Ms. Dorsey said many graduates were payroll clerks, accounts payable/receivable, administrative assistants, secretaries, executive secretaries, customer service representatives for call centers and bank tellers. Ms. Roberts asked if Silicon Valley was still designated as a high-unemployment area. Ms. Dorsey said it was on the upswing, but there was still a need.

Mr. Broad asked if any employees were able to live in Santa Clara County that earned \$9.68 per hour. Ms. Dorsey said many employees lived together to share living expenses due to the low wages for Santa Clara County. Mr. Broad asked if any employees earned less than the ETP \$10.75 minimum new hire hourly wage in Santa Clara County and asked if the wage could be raised above \$10.00 per hour. Ms. Dorsey asked if the \$10.00 wage could be enforced at 180 days. Ms. Carrillo said the effect would be that the employment retention would be extended to 180 days instead of 90 days. Ms. Dorsey agreed this was not a good idea to extend the retention period. Ms. Carrillo suggested raising the minimum wage to \$10.00. Mr. Broad asked if Goodwill Industries could raise the minimum wage to \$10.00 after the 90-day retention period. Ms. Dorsey agreed to the increase of a \$10.00 minimum wage after the 90-day retention period.

**ACTION:** Ms. Roberts moved and Mr. Rendon seconded the Panel approve the One-Step Agreement for Goodwill Industries in the amount of \$236,804, with an Amendment to the Agreement to raise the minimum wage to \$10.00 per hour after the 90-day retention period.

Motion carried, 5 – 0.

## Quality Care Health Foundation

Ms. Cohen presented a One-Step Agreement for Quality Care Health Foundation (QCHF), in the amount of \$180,000. QCHF is a non-profit foundation started by members of the California Association of Health Facilities. The foundation was created to provide educational training and resource materials to professionals in the long term care industry, and develop classes necessary to meet the licensing requirements of the state boards of Nursing Home Administrators, Registered Nursing and Licensed Vocational Nursing.

Ms. Cohen introduced Jim Koontz, Executive Director.

Mr. Giroux asked where the trainees would be employed upon completion of training. Mr. Koontz stated the intent was to train individuals in order to retain them in the facilities where currently employed. He stated there was a shortage of trained nurses at both the acute and long-term care level and there may be some individuals who would choose to move onto the acute level of nursing in order to further their careers. Mr. Koontz said the demand for the acute level was primarily for the Registered Nurse (RN) instead of the Licensed Vocational Nurse (LVN). Mr. Giroux asked if there was a collaborative effort with Kaiser, Catholic Healthcare West, Sutter, and all local facilities to move trainees to their facilities. Mr. Koontz disagreed and said the collaborative effort was with long-term care owners and providers. He said this training was for LVNs who will meet the staffing requirements to maintain a staffing ratio of 3.2 licensed staff per resident.

Ms. Roberts asked if individuals could also obtain nursing degrees through community colleges. Mr. Koontz answered in the affirmative. Ms. Roberts asked what QCHF uniquely offered apart from community colleges. Mr. Koontz said they train employees who are currently employed in the industry who have demonstrated a level of expertise as a Certified Nursing Assistant (CNA) and a strong desire to become an LVN. He also said agreements are being created with the academic setting to maintain training offered at QCHF when applicants were not accepted at colleges. Mr. Koontz stated that in the current year, there were 11,000 open positions for RNs and LVNs. He stated his industry is at the low end of the order for staff. The long-term care industry's wages are primarily mandated by Federal and State reimbursement and as a result, QCHF cannot compete with facilities such as Kaiser. Ms. Roberts asked if trainees received an hourly wage during training. Mr. Koontz said the facility paid them an hourly wage and that QCHF is subsidized from the other sources of government funding. Ms. Carrillo added that this helps employees working in low, dead-end jobs and gives them the opportunity to upgrade their skills to obtain better paying jobs in the industry to meet the demand. She said ETP introduced the nurse pilot program in response to a bill introduced by Senator Ducheny in 2005 designed to meet nursing demands.

Mr. Gordon asked if LVNs were provided health benefits. Mr. Koontz said that all full-time employees have complete health, dental and in many cases 401 and profit sharing. Mr. Giroux said the number of community colleges statewide offering nurse programs had significantly decreased. Mr. Broad asked if long-term care facilities proposed in this project were facilities that had no citations issued. Mr. Koontz said that all the facilities had clean

records for three consecutive years and said it was public information that Panel Members could access. Mr. Broad asked if there was a standard ETP could use for the nurse pilot program to judge a facility. He said he would like to impose a clean record standard and asked for suggestions. Mr. Koontz said that the state used terminology called a “clean survey” which means the facility has not been issued any Class A or B Citations and suggested the “clean survey” terminology. Mr. Broad asked how long of a term was reasonable to require a clean record for facilities. Mr. Koontz suggested a term of 1 - 2 years. Mr. Broad stated that when funding pilot programs, in order to become eligible, a facility must meet the “clean survey” standard within the last two years and would be applied to each program. Ms. Reilly asked if this was an eligibility condition. Mr. Broad said the “clean survey” must be maintained during the term of the contract. Mr. Koontz said that the law stipulates that facilities are surveyed every year, but in actuality the Department of Health Services surveys on an approximate 18-month cycle. Ms. Reilly asked about maintaining the “clean survey” during the term of the contract and asked if it was the last survey published as of the ending term of contract. Mr. Broad agreed this would be going back and not coincidental with the term of the contract.

Mr. Broad asked if Mr. Koontz agreed to maintain a “clean survey” (no Class A or B Citations issued to the facilities) in the two years prior to the start of the contract as of the last survey published and must be maintained during the term of the contract.

Mr. Broad set out the following conditions for all future nursing pilot programs. Facilities must maintain a “clean survey” (no Class A or B Citations issued) in the two years prior to the start of the contract and must be maintained as of the last survey published as of the last day of the contract.

**ACTION:** Mr. Giroux moved and Mr. Gordon seconded the Panel approve the One-Step Agreement for QCHF in the amount of \$180,000 with the condition the contractor must have satisfactory evaluations in the annual health facility surveys conducted by the State Department of Health Services as a condition of licensing re-certification, and that satisfactory status must be maintained throughout the term of this Agreement.

Motion carried, 5 – 0.

## **Sacramento Employment and Training Agency**

Ms. Cohen presented a One-Step Agreement for Sacramento Employment and Training Agency (SETA), in the amount of \$507,600. SETA is a joint-powers agency of the City and County of Sacramento under the auspices of the Sacramento Works, Inc., Workforce Investment Board (WIB).

Ms. Cohen introduced William Walker, Department Manager of Sacramento Works; Maxine Times, Allied Health Department Nursing Director for Grant Joint Union High School District; Ron McDowell, Coordinator of Grant Joint Union High School District; and Hal Steward, Director of Grant Joint Union High School District.

Mr. Broad asked Mr. Walker if he agreed to the terms outlined in the prior QCHF proposal. Mr. Walker agreed to the terms outlined in the prior proposal.

**ACTION:** Mr. Giroux moved and Mr. Rendon seconded the Panel approve the One-Step Agreement for SETA in the amount of \$507,600. The same contract conditions would apply as set forth in the Motion to approve the QCHF proposal.

Motion carried, 5 – 0.

### **VIII. ACTION ON REGULATIONS**

Ms. Reilly discussed the Proposed Regulatory Action for Special Employment Training (SET) and High Unemployment Areas (HUA). She said this concerns a 15-day revision from a regulation package that had been noticed earlier. She said the details are set forth in the memo to the Panel dated March 24, 2006, in the Panel Packet under the Regulation Tab. She explained that the 15-day revision was made in response to a public comment from the Alliance for ETP as discussed in the Panel memo which required re-noticing for additional comments. She stated that no additional comments were received.

Ms. Reilly said there were 15-day revisions to the regulation on Special Employment Training (SET), and also to the regulation on High Unemployment Area (HUA). In general, she said, these revisions would clarify that trainees in a HUA are eligible participants even though they only earn the ETP minimum wage. Otherwise, for SET funding the trainees would be held to the ETP minimum wage. She emphasized that the ETP minimum wage is the lower wage requirement, carved out for HUA training.

Ms. Reilly noted another minor 15-day revision, generated by staff rather than public comments, in the regulation on SET. She said this concerned the entrepreneurial training program, revised to allow the Panel to exercise discretion to modify a requirement that the small business must have as many employees at the end of the owner's entrepreneurial training as were on staff at the beginning of the training. She explained that, with these small businesses, employee attrition is often an issue, and there should be discretion to determine if the attrition was acceptable in a given training project. Ms. Reilly concluded by asking Panel Members if there were any questions, and there were none. Mr. Broad asked if there were any public comments on the proposed change to the regulations. There was no public comment.

**ACTION:** Ms. Roberts moved and Mr. Gordon seconded the Panel approve the proposed amendment of Section 4409 as revised, and the proposed adoption of Section 4429 as revised, in accordance with the recommendations outlined above. The Panel also affirmed the approval of the proposed regulatory actions made by the Panel on December 8, 2006.

Motion carried, 5 – 0.

**IX. GENERAL PUBLIC COMMENT**

There was no public comment.

**X. ADJOURNMENT**

ACTION: Ms. Roberts moved and Mr. Giroux seconded to adjourn the meeting at 12:30 p.m.

Motion carried, 5 – 0.